

Standard Master REC Agreement

IPA DG Workshop
April 2, 2012

Relevant Documents

- Master Renewable Energy Certificate Purchase and Sale Agreement (“Master Agreement”)
 - Developed jointly by American Bar Association, Environmental Markets Association and American Council on Renewable Energy
 - Used in IL since June 2008 for REC procurements
 - Provides standardized terms and conditions
- Cover Sheet
 - Primarily contains revisions to Master Agreement
 - Certain selections, such as credit terms, payment terms
 - Contact Information
- Confirmation
 - Terms of a specific transaction, e.g. product, quantity, price
- Other Documents
 - Collateral Annex; Letter of Credit, Guaranty
 - Go to www.comed-energyrfp.com

Major Terms

- **Product**
 - Standard REC, i.e. 1 MWH and includes all environmental attributes (see Schedule P to Master Agreement)
- **Type of REC**
 - Wind, Solar, Explicitly Named, Other
 - Distributed generation REC
 - Can either be from facility greater or less than 25 kW
 - While not separate products, may need to identify if wind, solar or other
- **Location of REC**
 - Generally, anywhere with preference for REC generated in IL. or adjoining state
 - However, DG RECs must be generated in IL
- **Quantity - Number of whole RECs to be delivered annually**
- **Price - \$s per REC**
- **Term – June 1, 2013 – May 31, 2018**
- **Vintage**
 - Generally, for any planning year, i.e. June through the following May, RECs may be generated from January of one year through May of the following year

Major Terms

- Delivery Point
 - Other RECs – PJM EIS GATS; M-RETS; NARR
 - DG RECs – self-certify using Attestation Form (see Exhibit C to Master)
 - Delivered with invoice
 - Certify generated by eligible facility; seller exclusively owns and has not resold, etc
- Delivery Date
 - Last day of each Delivery Season 4 Delivery Seasons
 - Summer – June 1 – August 31
 - Fall – September 1 – November 30
 - Winter – December 1 – February 28/9
 - Spring – March 1 – July 10
- Payment
 - Seller issues one invoice for each Delivery Season w/in 10 days of end
 - Generally, for no more than 25% of annual contract value on cumulative basis
 - Payment made on last business day of month after each Delivery Season

Major Terms

- Event of Default
 - Failure to deliver
 - 10% of REC value by end of Summer Season
 - 30% of REC value by end of Fall Season
 - 60% of REC value by end of Winter Season
 - 100% of REC value by end of Spring Season
 - Failure to pay
 - When due if not remedied within 3 business days of notice
- Damages
 - Replacement price less contract price times quantity
- Collateral
 - Seller
 - 10% of remaining value under Confirmation
 - A collateral threshold, or unsecured credit line, of \$5 M is provided to investment grade suppliers
 - Buyer
 - None

Major Terms

- Representations & Warranties
 - Duly organized under laws of jurisdiction of its organization
 - Power and authority to enter into agreement and perform
 - Performance does not violate any laws or provision of constituent documents
- Force Majeure
 - Very limited
 - GATS, M-RETS or NARR are shut down
 - Nationwide or statewide shutdown, by government, of all facilities capable of producing applicable RECs